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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/560,215	04/28/2000	Max Levchin	X00-001	3676

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EXAMINER	
BASHORE, ALAIN L	
ART UNIT	**PAPER NUMBER**
3624	

DATE MAILED: 04/01/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/560,215	LEVCHIN ET AL.	
	Examiner	Art Unit	
	Alain L. Bashore	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *12 January 2004*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-37, 39-47* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-37 and 39-47* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 26, 30, 34, 40, 41 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

The recitations: "no term of said value exchange is negotiable by the second user", "terms of said first value exchange transaction are not negotiable by the second party", "no term of said value exchange is negotiable by the second user", and "wherein said amount is non-negotiable by the second user", are all considered new matter.

Applicant may obviate this rejection by specifically showing where theses negative limitations may be found in the specification.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

4. Claims 1-4, 6, 8, 10-11, 20, 22, 24-25, 39, 42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy.

Conklin et al discloses a method of facilitating a value exchange between multiple users in a system using a network. A first user (the buyer) is associated with the system (col 20, lines 4-9. The value exchange system receives a value exchange transaction from the first user, wherein said transaction involves a second user. A second user (the seller) is registered with the value exchange system (col 19, lines 28-30). A pre-existing identifier of the second user is present (col 19, lines 38-41), wherein the preexisting identifier enables communication with the second user independent of the value exchange system (col 22, lines 64-67; col 23, lines 1-4; col 31, lines 59-64). A value is transferred between the first user and the second user (item sold) and in the reverse (money).

Value is allocated between said first account and a second account associated with the second user (col 31, lines 32-36).

Conklin et al does not explicitly describe their system as either a: "value exchange", "distributed exchange", "distributed transaction", or "distributed financial services". Since Conklin et al involves value which is exchanged, there is present a system that is value exchange. Since Conklin et al involves the distribution of exchange and transactions, there is present a system that is a: value exchange, distributed exchange, distributed transaction and distributed financial service.

It would have been obvious to one with ordinary skill in the art to include to Conklin et al separate servers for synchronization, communication, financial, and security for the purposes of network efficiencies.

Conklin et al does not disclose:

a first user (the buyer) being registered;

a pre-existing identifier as a telephone number;

value to be exchanged is receivable by the second user through a debit card; and,

security providing asymmetric cryptographic scheme or a digital transaction certificate authentication.

Shkedy discloses a first user as being registered (col 13, lines 61-67), a pre-existing identifier as a telephone number (col 13, 61-67; col 14, 1-6), value to be

exchanged is receivable by the second user through a debit card (col 11, lines 13-20) and security providing asymmetric cryptographic scheme or a digital transaction certificate authentication (col 10, lines 63-67).

It would have been obvious to one with ordinary skill in the art to include to Conklin et al a first user being registered because Shkedy teaches such as required to use a value exchange system (col 13, lines 64-65).

It would have been obvious to one with ordinary skill in the art to include to Conklin et al a pre-existing identifier as a telephone number because Shkedy teaches such as useful for identification purposes and as required data.

It would have been obvious to one with ordinary skill in the art to include to Conklin et al value to be exchanged is receivable by the second user through a debit card because Shkedy teaches such as a type utilized for value transfer.

It would have been obvious to one with ordinary skill in the art to include to Conklin et al security providing asymmetric cryptographic scheme or a digital transaction certificate authentication because Shkedy teaches such for security purposes.

Conklin et al further does not disclose buyers identifying sellers by electronic mail address.

Shkedy discloses buyers identifying sellers (or value receivers) by electronic mail address (col 6, lines 40-47).

It would have been obvious to one with ordinary skill in the art to include buyers identifying sellers by electronic mail address because Shkedy discloses various means of communication between users of a value exchange system.

5. Claims 5, 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy as applied to claims 1 and 3 above, and further in view of Doggett et al.

Claims 34-38, 44-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy in further view of Doggett et al.

Conklin et al in view of Shkedy does not disclose value is receivable by the second user as a redeemable voucher or web certificate.

Doggett et al discloses the value is receivable by the second user as a redeemable voucher (fig 6, col 12, lines 66-67; col 13, lines 1-11) or web certificate (col 123, lines 12-26).

It would have been obvious to one with ordinary skill in the art to include to Conklin et al the value is receivable by the second user as a redeemable voucher or web certificate because Doggett et al teaches such as alternative means for conveyance of value.

Conkin et al in view of Shkedy further does not disclose "wherein no term of said value exchange is negotiable by the second user".

Doggett et al discloses wherein no term of said value exchange is negotiable by the second user, i.e.: inherent to a redeemable voucher (fig 6, col 12, lines 66-67; col 13, lines 1-11) or web certificate (col 123, lines 12-26).

It would have been obvious to one with ordinary skill in the art to include to Conklin et al wherein no term of said value exchange is negotiable by the second user because Doggett et al teaches such as alternative means for conveyance of value.

5. Claim 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy in further view of Doggett as applied to claim 5, and further in view of Remington et al

Doggett in view of Kasai et al does not explicitly disclose the redeemable voucher including an electronic advertisement.

Remington et al discloses a redeemable voucher including an electronic advertisement (213; fig 7, col 10, lines 30-33).

It would have been obvious to one with ordinary skill in the art to include an electronic advertisement in the redeemable voucher to Doggett in view of Kasai et al because of what is taught by Remington et al. Remington et al teaches advertisements for the purposes of providing new services or for target marketing by a system provider (col 14, lines 60-67)

7. Claims 12-16, 18-19, 30-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy as applied to claims 1-4, 6, 8, 10-11, 20, 22, 24-25, 39, 42 above, and further in view of Nikander.

Claim 41 is rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy in further view of Doggett further in view of Nikander.

Conkin et al in view of Shkedy does not disclose "wherein said amount is non-negotiable by the second user".

Doggett et al discloses wherein said amount is non-negotiable by the second user, i.e. inherent to a redeemable voucher (fig 6, col 12, lines 66-67; col 13, lines 1-11) or web certificate (col 123, lines 12-26).

It would have been obvious to one with ordinary skill in the art to include to Conklin et al wherein no term of said value exchange is negotiable by the second user because Doggett et al teaches such as alternative means for conveyance of value.

Conkin et al in view of Shkedy further do not explicitly disclose:

establishing a link between a first user's mobile computing device a second user on a mobile client device for the value exchange transaction through a wireless network; and

the mobile communication device is: a personal digital assistant or a telephone.

Nikander discloses establishing a link between a first user's mobile computing device a second user on a mobile client device for the value exchange transaction through a wireless network (fig 6). Nikander also discloses a personal digital assistant (206), a telephone (202).

It would have been obvious to one with ordinary skill in the art to establishing a link between a first user's mobile computing device a second user on a mobile client device for the value exchange transaction through a wireless network to Conkin et al in view of Shkedy because of what is taught by Nikander. Nikander teaches that it is advantageous to use mobile communication for financial transactions (col 11, line 59).

It would have been obvious too one with ordinary skill in the art to include either a personal digital assistant a telephone because Nikander discloses functional equivalency in absence of unexpected or unobvious results.

8. Claim 17 is rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy in further view of Nikander as applied to claims 14 above, further in view of Borgatahi et al.

Conkin et al in view of Shkedy in further view of Nikander does not explicitly disclose two-way pagers.

Borgatahl et al discloses two-way pages (col 5, lines 20-30).

It would have been obvious to one with ordinary skill in the art to include two-way pagers as an alternative for establishing a link to users because Borgatahl teaches functional equivalence (col 5, lines 20-30).

9. Claims 21, 23, 26-28, 43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy as applied to claims 1-4, 6, 8, 10-11, 20, 22, 24-25, 39, 42 above, and further in view of Downing et al.

Claims 26-28, and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy in further view of Doggett et al and Downing et al.

Conkin et al in view of Shkedy further does not disclose "wherein no term of said value exchange is negotiable by the second user".

Doggett et al discloses wherein no term of said value exchange is negotiable by the second user, i.e.: inherent to a redeemable voucher (fig 6, col 12, lines 66-67; col 13, lines 1-11) or web certificate (col 123, lines 12-26).

It would have been obvious to one with ordinary skill in the art to include to Conklin et al wherein no term of said value exchange is negotiable by the second user because Doggett et al teaches such as alternative means for conveyance of value.

Conkin et al in view of Shkedy further does not explicitly disclose:

value that may be converted from between currencies;

value that may be held in escrow with an escrow party; and

an identifier of a second user not registered with the distributed transaction system.

Downing et al discloses: an identifier of a second user that is not registered (col 7, lines 6-17). Also disclosed is: value converted from between currencies that depends

on the pre-existing identifier (col 9, lines 22-26), and value held in escrow with an escrow party (col 8, lines 45-67).

It would have been obvious too one with ordinary skill in the art to modify Conkin et al in view of Shkedy to include an identifier of a second user that is not registered because Downing et al teaches at there are customers that are not readily available to access registered systems (col 1, lines 55-67; col 2, lines 1-36) buy need quick access to value transfers (col 3, lines 24-26).

It would have been obvious too one with ordinary skill in the art to modify Conkin et al in view of Shkedy to include value that may be converted from between currencies that depends on the pre-existing identifier because of what is taught by Downing et al. Downing et al teaches value exchange may require currency conversion if international in nature (col 9, lines 22-26).

It would have been obvious too one with ordinary skill in the art to modify Conkin et al in view of Shkedy to include value that may be held in escrow with an escrow party because of what is taught by Downing et al. Downing et al teaches advantages of the sender to have an escrow (col 8,lines 45-67).

10. Claim 29 is rejected under 35 U.S.C. 103(a) as being unpatentable over Conkin et al in view of Shkedy in further view of Downing as applied to claims 21, 23, 26-28, 40, 43 above, and further in view of Nikander.

Doggett et al in view of Kasai et al in further view of Downing does not explicitly disclose an instruction received through a mobile communication device.

Nikander discloses establishing a link between a first user's mobile computing for the value exchange transaction through a wireless network (fig 6).

It would have been obvious to one with ordinary skill in the art to include to Conkin et al in view of Shkedy in further view of Downing an instruction received through a mobile communication device because of what is taught by Nikander. Nikander teaches that it is advantageous to use mobile communication for financial transactions (col 11, line 59).

Response to Arguments

11. Applicant's arguments have been fully considered but they are not persuasive.

The pre-amble of the claims 1 and 39 recite "without requiring a user to initiate communications with another user", but not claimed further in the claim body. This recitation is considered nonfunctional descriptive material and not functionally involved

in the steps recited. The steps would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowery, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill in the art to include "without requiring a user to initiate communications with another user", because such data does not functionally relate to the steps in the method claimed (of claims 1 and 39) and because the subjective interpretation of the data does not patentability distinguish the claimed invention.

A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).

Applicant's argument of the claim embodiments including "...prior to a second party learning of the transaction" is not commensurate in scope with what is claimed. There is no specific recitation in the claims reciting this language.

The claim rejections are amended to include reasons for one with ordinary skill in the art to include electronic mail addresses.

Network efficiencies are the reason one with ordinary skill in the art would combines the features recited in claims 37-37 regarding server separations.

Conclusion

12. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

13. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

]

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:00 am to 4:30 pm (Monday thru Thursday).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Alain L. Bashore